

CULTURAL DIVERSITY AND INCLUSIVE HR PRACTICES AS DRIVERS OF EMPLOYEE ENGAGEMENT: A STUDY OF INDIAN WORKPLACES

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Abstract

In today's globalized and multicultural work contexts in India, paying closer attention to the impact of cultural diversity on employee engagement and performance has become an increasingly important task. Hence this study examines the drivers affecting the cultural diversity in Indian organizations, which influence positive employee behavior and engagement. The second phase investigated this using a mixed-methods approach, building on psychological models, especially the Johari Window, that highlight the role of cultural awareness and openness in workplace relationships and inclusiveness. The findings suggest an inclusive environment that respects and values cultural differences could play a tremendous role in enhancing the motivation, trust, and performance of employees. This study underlines the essential role of culturally sensitive HRM practices and provides data for the efficient management of workplace diversity in India.

Key words

Diversity, Inclusion, Employee Engagement, Johari window Model, Employee Retention.

Introduction

Workplace cultural diversity denotes the simultaneous presence of people from different ethnic, language, regional, and religious backgrounds within one organization. Cultural diversity in India, which has been culturally plural since time immemorial, is treated as not only a social reality but also a characteristic of most organizations. In workplace terms, cultural diversity is more than mere ostensible differences; it embodies differences in communication, work culture, attitudes towards hierarchy, and ways of collaboration and conflict resolution. There is increasing realization on the part of organizations in India that cultural diversity could serve as a strategic advantage, contributing to creativity, market reach, and resilience. However, in managing that diversity, unconscious bias, communication breakdowns, and workplace silos often prove challenging for managers. Therefore, a conducive environment should be developed to encourage employee engagement and psychological openness in which cultural differences are acknowledged, respected, and leveraged to ensure sustainable organizational growth. This study places cultural

diversity against the background of employee engagement and psychological openness, providing India-specific perspectives often missing in existing scholarship.

Literature Review Overview & Gap Identification

Being an area much focused on, most of the studies into diversity were around gender and generational differences and scarcely considered cultural diversity as a significant contributor to the way organizations run and operate. Foundation contributions to diversity management such as those provided by Cox (1994) and Thomas and (Ely, Ibarra, & Kolb, 2011) developed theoretical perspectives concerning how heterogeneous teams could positively impact upon innovation and problem-solving if effectively managed. However, these contributions were chiefly Western in nature, and there has not yet been much work employing them directly to Indian organizational situations. As the research is beginning to explore the multicultural nature of the workforce, it has heavily relied upon superficial descriptors, such as regions or languages. (Wood & Landry, 2008) portray the increasing multiculturalism of teams in growing big cities. However, they only mention the cross-cultural challenges and communication barriers that exist without much empirical depth establishing the direct influence of cultural diversity on employee engagement, collaboration, and psychological safety. In addition, there has not been much work on the psychological theories that could assist in acquiring an understanding of the interpersonal and behavioral aspects of cultural diversity in the workplace. For example, the Johari Window (Luft & Ingham, 1961) has found considerable application in personal development and communication training but has never been systematically applied to the management of diversity in Indian organizations. Largely deficient in literature, especially in the Indian context, is the empirical surveying of inclusive human resource management practices (Cooke, Saini, & Wang, 2014): to mitigate cultural misunderstandings and foster engagement among occupants from many culturally diverse backgrounds. This is of utmost importance for both the development of academic knowledge and human resource practice, especially as Indian organizations expand globally and continue to recruit from the wider socio-cultural spectrum.

Workplace Diversity and Inclusion: Global Insights and Indian Context

Azzam (2022) explored how board gender diversity in the UK influences innovation, especially via greater R&D investments, and emphasized the strategic value of inclusive leadership in driving innovation outcomes.

Marchant and Camacho (2023) critique the presence of workplace diversity, equity, and inclusion (DEI) in a university library collection through a WorldCat analysis. While Arredondo (2004) offered a pragmatic outline for conducting organizational assessments aimed at planning effective, inclusive diversity initiatives, all the while emphasizing that these initiatives need to be aligned with institutional culture and institutional goals.

In a systematic review of research on board diversity, Mgamal (2022) identified gaps in research and provided suggestions for future work in response to this void in knowledge, highlighting the utter necessity of practical work going beyond understanding board-level diversity. While, Graham, Kennavane, and Wears (2008) inquired into how diversity management is treated in

HRM textbooks; in general, they found introductory materials to fall short in contextually dealing with contemporary diversity issues.

Riche and Mor Barak (2005), utilizing data on the global workforce, urged that demographic trends are transforming diversity in the workplace and emphasized that instilling inclusive policies prepares organizations for a better future. From the angle of corporate performance, it has been shown that with greater gender diversity, success in organizations of Asia and improved decision-making is ensured (Süssmuth-Dyckerhoff, Wang, and Chen 2012).

On the other hand, it was shown by Ayub and Jehn (2014) that despite diversity promoting task-related conflict in the teams, it enhances group performance when adequately managed, and especially when interpersonal friction is minimized.

From another perspective, topics on digital strategy and HR intersect with Idowu (2015) who argues that managing human resource diversity under e-business frameworks has the potential to greatly improve outcomes for organizations, especially in competitive global markets.

Each of the research questions in the study aims to fill a specific component of that gap.

Research Question 1: What is the influence of cultural diversity on the collaboration and communication among the Indian teams?

To explore what little has been said about micro-level cultural interactions and their impact on communication and teamwork.

Research Question 2: What are the most effective inclusive HR practices in a culturally diverse workplace?

This will identify the practical interventions for inclusion that are yet missing or discussed less extensively in the diversity literature specific to India.

Research Question 3: Which psychological models, including the Johari Window, can facilitate openness and trust among diverse cultural employees?

This brings into the study of diversity a new theoretical lens-the psychological one-that has not been widely drawn upon before in this context.

Methodology

Research Design

This study used a survey within a quantitative research design to investigate the impact of cultural diversity and inclusion on employee engagement in Indian organizations. Such an approach allows for statistical analysis of patterns and the relationships between constructs, including diversity perception, inclusion practices, and levels of engagement. A structured questionnaire was developed for data collection with the items organized under the three major constructs of Cultural Diversity, Inclusion, and Employee Engagement. The questionnaire contained both some adapted items from existing scales and some newly created items because of the specificities it wanted to gather about the Indian organizational context.

Instrument Development and Pilot Study

The instrument underwent pilot testing with a small group of 20 professionals to determine reliability, clarity, and construct validity. The feedback was then used to reword items, and ambiguous questions were omitted or reworked. Reliability was later established through internal consistency, while Exploratory Factor Analysis (EFA), assisted by Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity, was put to the test for construct validity.

Sample and Data Collection

To collect responses from employees working in multicultural Indian organizations, the study employed non-probability purposive sampling technique. A total of 135 valid responses were obtained from the participants comprising a mix of genders, age groups, nationalities, and professional experience levels.

Data Analysis

The information will be analyzed with the help of SPSS 25 software.

The used statistical techniques include: Descriptive Statistics for the summarizing of demographic data, Exploratory Factor Analysis for identifying underlying factor structures, and Multiple Regression Analysis for measuring the predictive impact of cultural diversity and inclusion on employee engagement.

Theoretical Position

1. Social Identity Theory (SIT)

Social Identity Theory, was developed in its entirety by Tajfel and Turner (1986), and referred to by Cooke, Saini, and Wang (2014). SIT explains how an individual identifies himself and others into social groups on the basis of some characteristics such as ethnicity, language, culture, etc. In India, multiculturalism is apparent; thereby, prediction of how identity dynamics will affect communication, interaction, and grouping will come up strong in workplaces. The Social Identity Theory applies to this study on the premise that in-groups are usually preferred over out-groups, either overtly or covertly. This partiality is likely to impact team dynamics and engagement. Inclusive HR practices will restrain such imbalanced ideologies and would augment cross-cultural appreciation and common organizational identity.

2. Psychological Safety Theory

Psychological Safety Theory refers to an individual's perception of the consequences of taking interpersonal risks in a work environment (Edmondson, 1999) as cited in Harwood, 2020 . It is vital in a culturally diverse team, especially when employees are expected to share any ideas, ask questions, or admit to making a mistake. The study proposes that inclusion policies should not only be procedural but must also create an environment where an employee from a diverse culture is heard, hence creating the feeling of value and respect.

3. The Johari Window Model

The Johari Window (Luft & Ingham, 1955) shall be employed in this study as a psychological model in the illustration of openness, trust, and feedback among culturally diverse employees. Understanding the Open, Blind, Hidden, and Unknown Self dimensions of this model are relevant in unpacking how individuals give out and receive feedback in workplace interactions. This paper shall use the model as a theoretical lens through which to explore how self-awareness, mutual understanding, and feedback contribute to team's cohesion, thus raising engagement in multicultural teams. More specifically, it hypothesizes that higher opinions of openness and trust mediate the influence of inclusive HR functions on employee engagement in culturally diverse contexts.

4. Integrated Theoretical Position

With reference to these three theories, the Cultural Inclusion-Engagement Model (CIEM) developed by Newman, Donohue, and Eva in 2017 proclaims that: Cultural diversity is most likely viewed as a liability, while in fact, when inclusively managed could function as team strengths. This would require highly inclusive HR practices to close identities' gaps and create psychologically safe environments for open communication.

Note: The Johari Window is the mechanism that is used to operationalize the internal processes, such as trust building and feedback exchange that would make cultural inclusion possible to become effective in practice. All these variables would lead to increased levels of employee engagement, which are necessary for organization performance and employee retention.

RESULTS AND DISCUSSIONS

Demographic Information

Table 1 : The gender of the Respondents

Gender	Frequency	Percentage
Male	57	42.2
Female	74	54.8
Others	3	2.2
Prefer not to say	1	.7
Total	135	100.00

As we can see from the table, the highest percentage is from female category which is 54.8. Then comes male category with 42.2% and Others category with 2.2. Finally prefer not to say with the lowest percentage of .7 which is one response.

Table 2 : Age distribution of Respondents

Age	Frequency	Percentage
21 to 25	36	26.7
26 to 30	54	40.0
31 to 35	36	26.7
36 to 40	6	4.4

40 and Above	3	2.2
Total	135	100

Above table shows the actual group ages of the respondents and it shows how the most percentage of the respondents are in the age group of 26 to 30 with percentage of 40. Then we have age groups 21 to 25 and 31 to 35 with second highest percentage which is 26.7. While the lowest number of respondents were from age groups 36 to 40 and 40 and above.

Table3: Work Experience of respondents.

Work Experience	Frequency	Percentage
Below one year	42	31.1
1 to 5 years	57	42.2
6 to 10 years	27	20.0
Above 10	9	6.7
Total	135	100.00

The above table shows the work experience distribution of the respondents. The highest percentage of the respondents was from the age group of 1 to 5 years and it is 42.2%. Next is Below 1 year experience with a percentage of 31. Then, 6 to 10 years of experience with a percentage of 20. Finally and the lowest percentage was 6.7 for the category of Above 10 years of experience.

Table 4 : Nationality of the respondents

Nationality	Frequency	Percentage
Indian	87	64.4
Other Nationalities	48	35.6
Total	135	100.00

The table shows that 64.4% of the respondents are Indians while 35.6% of them are from other nationalities.

In summary

The analysis of the sample indicates fair representation of all demographics:

Gender: With female respondents forming 54.8%, the predominant representation is female involvement.

Age: Most respondents are 26-30 years of age (40%), implying that the majority form a relatively young workforce.

Work Experience: A majority had a work experience of 1 to 5 years (42.2%), which is vital for insight into the early to the mid-career views.

Nationality: While the vast majority of the participants are Indian (64.4%), the others are from varying nationalities, indicating a diversity of cultures within the sample.

Table 5 : KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.912
Bartlett's Test of Sphericity	Approx. Chi-Square	3222.485
	df	171
	Sig.	.000

The KMO measures the sampling adequacy (which determines if the responses given with the sample are adequate or not) which should be close to 0.5 for satisfactory factor analysis to proceed. Here it is above 0.9 which is superb.

Bartlett's test is another indication of the strength of the relationship among variables. This tests the null hypothesis that the correlation matrix is an identity matrix. The significance level makes us able to reject the null hypothesis. This means that the correlation matrix is not an identity matrix.

Table 6 : Rotated Component Matrix

Rotated Component Matrix^a			
	Component		
	1	2	3
Diversity1	.834		
Diversity2	.718		
Diversity4	.825		
Diversity5	.874		
Diversity6	.873		
Diversity7	.883		
Inclusion4		.734	
Inclusion5		.883	
Inclusion6		.856	
Inclusion7		.931	
Employee Engagement1			.919
Employee Engagement2			.925
Employee Engagement3			.918
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

The rotated component matrix yielded three components with distinct features. Cultural Diversity, Component 1, loaded highly on Diversity1, Diversity4, Diversity5, Diversity6, and Diversity7 all above .83 and reflects an awareness of cultural diversity practices (such as language use, respect for cultural holidays, and teamwork with people from different backgrounds). Inclusive HR Practices, Component 2, loaded from Inclusion4 to Inclusion7 and emphasized such aspects as perceived just practices, access to opportunities, and organizational

support for values of inclusion-and which formed a highly reliable subscale internally. Finally, Employee Engagement, as Component Number 3, loaded from Employee Engagement1-3 with a range of above .91 and thus, derived out how strongly emotional and cognitive connection with work was perceived similarly by respondents. And those findings will give further backing to the three constructs the instrument was actually measuring.

Table 7 : Multiple Regression

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.951 ^a	.904	.892	1.55353

a. Predictors: (Constant), Inclusion,Diversity

b. Dependent Variable: OE

- R-value represents the correlation between the dependent and independent variable. In this analysis R value is 0.95 which is greater than 0.6 and can be taken for further analysis.
- R-square shows the total variation for the dependent variable that could be explained by the independent variables. In this analysis R square value is 0.9 which is greater than 0.5. This indicates that the model is effective enough to determine the relationship.
- Adjusted R-square shows the generalization of the results i.e. the variation of the sample results from the population in multiple regression. It is required to have a difference between R-square and Adjusted R-square minimum. In this analysis, the value is 0.89, which is not far off from .9 , so it is good.

Table 8 : The table showing the significance level of the independent variables.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.613	.510		1.201	.232
	Diversity1	1.338	.319	.335	4.191	.000
	Diversity5	.893	.330	.223	2.707	.008
	Inclusion3	.732	.259	.196	2.829	.005
	Inclusion8	1.613	.215	.446	7.510	.000

a. Dependent Variable: OEE

$$OEE = .613 + 1.338(\text{Diversity}1) + .893 (\text{Diversity}5) + .732 (\text{Inclusion}3) + 1.613 (\text{Inclusion}8)$$

Where Diversity 1 stands for this item “My organization has a long-term strategic plan designed to ensure that the diversity is achieved in the organization”.

Diversity 5 stands for “In my organization members of different religion, gender, and age groups work well together”.

Inclusion 3 stands for “My organization is committed to creating an inclusive and harmonious workplace”.

Inclusion 8 stands for “I can give my opinion during decision making irrespective of my gender, religion, category, cultural background and experience”.

Cultural diversity and inclusive practices play an important role in determining employee engagement. Among predictors, Inclusion8 had the highest standardized effect, indicating that communication and feedback mechanisms that are inclusive in nature are most vital for engagement. Diversity-related items also showed strong effects that suggest that valuing cultural identities directly impacts motivation and participation.

Although the Johari Window model was not directly measured, it provides a holistic contextual framework concerning the key principles of self-disclosure and mutual feedback on the importance of openness in different working environments. Statistically significant relationships have been established linking inclusion and cultural diversity with employee engagement, emphasizing ways through which trust and open communication could be built among culturally diverse team members. Insights emphasize the need for embedding practices that create a reduction of attentional blind spots between employees and the development of shared understanding.

Direct Applicability, Practical Implications, and Recommendations

Direct Applicability of the Findings

The findings of this study can be applied, with direct relevance, to culturally diverse Indian organizations, specifically those with multilingual, multi-regional, or multi-national staff. The results of factor analysis and multiple regression very clearly indicate that cultural diversity (Diversity1, Diversity5) and inclusive practices (Inclusion3, Inclusion8) are contributing factors influencing employee engagement. High R^2 value (0.904) and significant p-values of less than 0.01 for the predictor variables confirm that inclusive HR practices and trust-building mechanisms serve as crucial paths through which employees' openness, collaboration, and engagement could be optimized.

By providing a psychological tool for increasing interpersonal trust and transparency among employees from diverse cultural backgrounds, the Johari Window model further enhances its applicability. Far from being theoretical in nature, it becomes practical and measurable through such means as leadership workshops, teambuilding exercises, and peer feedback systems.

Practical Implications

1. Strategic HR Design: HR departments in Indian companies should seek to embed cultural inclusion as a strategic pillar-not just an object of compliance. The strong statistical influence of inclusive variables like Inclusion8 ($\beta = 0.446$) adds weight to the need for swift movement toward making cultural inclusivity part of core HR functions.
2. Employee Engagement as an Inclusion Outcome: Engagement is by no means an individual output-it's an inclusion outcome. This means that engagement is no longer attained through single-minded individual motivation: it has begun to reflect the climate in the organization.
3. Need for Psychological Safety Structures: The results of this analysis also empirically supported the view that psychological safety, enabled through openness and feedback (that is, Johari Window), are making the cornerstone in culturally diverse workplaces.
4. Customized Training Interventions: Cultural inclusion and interpersonal openness can indeed be taught and should be a part of training and development for leadership, onboarding, and cross-functional team initiatives.

Realistic and Specific Recommendations

In the light of the findings and theoretical model, the recommendations below have been made for Indian organizations that can be taken up:

1. Carry out Culture Specific Sensitization Training.

What: Quarterly workshops specific to the cultural dimensions within India (for instance, differences amongst regional accents and approaches to dressing, religious practices, food-related customs, and so on)

Why: With the aim of helping to gradually chip away at those entrenched bias cornerstones related to region-based identities (North-South, language-oriented)

How: Use of culturally sensitive storytelling formats, cultural simulations, and the Johari Window for peer reflection.

2. Organize a ritual of Johari Feedback Friday.

What: A bi-weekly team ritual during which employees voluntarily speak of “hidden” or “blind” aspects of themselves via a guided reflection.

Why: To arrive at a more transparent workplace where cultural trust is being fomented and miscommunication is being reduced.

How: Taken ahead by the HR function or trained leaders who suggest topics based on the quadrants of the Johari Window.

3. Create Inclusion Metrics in Appraisals.

What: Include KPIs such as valuing diverse opinions, language sensitivity, and cross-cultural teamwork in performance appraisals.

Why: To further entrench statistically supported behaviors tied to engagement ($\beta = .223$ to $.446$).

How: Make sure that a 360° feedback model accompanies the appraisal process in which peers view these behaviors together with their managers.

4. Create Cross-Cultural Mentorship Programs.

What: Pairings of employees from different regional or national perspectives as mentors and mentees.

Why: It strives to enhance mutual understanding and, consequently, inclusive communication styles.

How: A 6-month internal campaign launched and evaluated by using engagement surveys would suffice here.

5. Operationalize a Diversity Heat Map.

What: Developing visual dashboards showing team compositions with respect to region, language, gender, etc.

Why: It helps steer the leadership's attention toward missed culturism and allows compulsive intervention strategies to create a multi-ethnic team.

How: In a fast-paced setting, real-time reports for managerial decisions should use HR analytics software.

6. Do a Pilot study of the Psychological Safety Check-In Tool.

What: A short anonymous monthly survey measuring how comfortable employees feel in terms of speaking up, making mistakes, and receiving feedback.

Why: To ensure that the focus on inclusion continues over time ($\beta = 0.196$) and that there is an ever-present openness within multicultural teams.

How: It acts free of cost with Google forms or internal HRIS features.

Conclusion

Incorporating the performance model of Johari Window in HR practices complemented with inclusive strategies for a culturally diverse workforce in India would create an environment based on psychological safety, mutual trust, and open communication. This research is particularly valuable in understanding how interpersonal openness and transparency can enhance team collaboration amidst a multicultural setting. The data gathered through this research show that inclusion and cultural diversity are significant predictors of employee engagement; thus, diverse teams work best where inclusive HR policies create a fair and enabling environment for recognition and participation. One of the few idealistic goals of

inclusive practices, such as cross-cultural team-building, inclusion leadership training, and culturally sensitive feedback mechanisms, evidenced by strong factor loadings on inclusion variables and high R-square value from regression analysis, are all nevertheless feasible strategies that could Littleton to considerable employee outcomes.

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